

Senate Task Force on Disparities

Factsheet and Recommendations from the City of
Saint Paul HREEO Department

6/26/2014

Introduction

The City of Saint Paul Human Rights and Equal Economic Opportunity (HREEO) Department champions Justice and Equity by confronting issues of discrimination and providing innovative avenues for accessibility and economic opportunities for all residents and businesses. HREEO achieves these goals by consistently delivering quality customer service, being a voice and advocate within the city and metro area, building relationships throughout the community, and enforcing laws.

HREEO is a unique public office having exclusive jurisdiction over equity issues within the City. We are strategically placed in purchasing to ensure equity considerations any time the City does business, while at the same time coordinating and resourcing outreach and capacity-building with upcoming public economic activity.

HREEO aims a number of initiatives at increasing equity and opportunity for all residents of the City. Most notably, our office provides EMT training to disadvantaged youth through the City of Saint Paul Emergency Medical Services (EMS) Academy. The EMS Academy is an innovative program bringing together HREEO, the Fire Department, and two community partners—Inver Hills Community College and Camphor Fiscally Fit Center. In addition to EMT training the EMS Academy pays participants a wage for hours spent in training. The City also invested in ongoing financial literacy to ensure that these youth manage their paychecks and begin leveraging their opportunities.

Additional programs the City sponsors strive to increase the inclusion of women, minorities, and low-income individuals on public contracts. HREEO provides capacity-building services in workforce training and business development services to local small businesses.

The City's workforce initiatives include the EMS Academy; St. Paul YWCA Commercial Driver's License (CDL) training; Goodwill Easter Seals Construction Skills Training; UnderConstruction construction internships for at-risk St. Paul youth; Urban City Construction introductory construction training; and Twin Cities RISE! construction compliance internships. All workforce programs involve soft skills training.

Business development services include the Metropolitan Economic Development Association (MEDA) Construction Partnership Program; Neighborhood Development Center (NDC) entrepreneurship training and working capital; ProBid bidding, estimating, and pricing strategies; Latino Economic Development Center business development; and Camphor Fiscally Fit Center financial literacy training for small businesses. All business development services include technical assistance.

Consolidated equity efforts, strategic planning, and resources to push change make the HREEO model work. Ultimately, our office recommends the State consider consolidating its equity efforts, bringing equity into strategic planning, and providing more resources to allow local entities to bring support to the communities they advocate for.

Workforce Initiatives and Collaboration

EMS Academy Paid EMT Training for At-Risk Saint Paul Youth with Ongoing Financial Literacy Training

YWCA Commercial Driver's License Program Commercial Driver's License Training and Soft Skills Workforce Preparation

Goodwill/Easter Seals Introductory Construction Skills Training and Jobs for Graduates; MNSCU Credit upon Completion

UnderConstruction Summer Construction Internships for At-Risk Saint Paul Youth

Urban City Construction & Training Introductory Core Construction Skills Training Serving Unemployed and Underemployed Twin Cities Residents

Twin Cities RISE! On-the-Job Training for Section 3 (low-income) Residents Seeking to Establish a Career in the Construction Industry



Emergency Medical Services (EMS) Academy

In collaboration with the Saint Paul Fire Department, Inver Hills Community College, and Camphor Fiscally Fit Center, the City offers paid learning experience for at-risk Saint Paul Youth, particularly targeting populations of color. As the diversity in Saint Paul increases, it is critical that the City diversify the workforce of its most critical human services, such as EMT's and firefighters. The EMS Academy runs up to two courses per year, enrolling 50 participants per class, providing introductory training required to become a firefighter. Since the EMS Academy opened in 2009, Saint Paul has graduated 150 at risk youth.

Graduate demographics break down as follows:

- 24% self-identify as African or African-American
- 22% self-identify as Hispanic
- 20% self-identify as Caucasian
- 18% self-identify as Asian
- 12% self-identify as multi-racial
- 4% self-identify as Native American

Furthermore, reporting graduates of the program report tangible results of their participation in the program:

- 94% state they are employed
- 63% state they are working in an EMS-related field
- 42% state they are working with an ambulance service
- 53% state they are pursuing continuing medical education

YWCA Commercial Driver's License (CDL) Program

The City of Saint Paul has, over the past three years, funded programming through the Saint Paul YWCA to provide local low-income, minority and women participants with support to pass the commercial driver's license examination and receive the soft skills job training essential to hone their resumes, refine interviewing techniques, and thrive in their work environment once placed.

In 2013, the City directly funded 10 individuals who successfully graduated the program. Seven participants self-identified as African American, two as Latino, and one as Caucasian. Eight participants were male and two were female. Of the ten participants, seven secured jobs paying wages ranging from \$15.00 to \$25.00/hour.

The YWCA continues supporting graduates for up to a year after obtaining a job. Participants often are in their first job and deal with new issues in the workplace. The YWCA offers support and training to help these individuals manage confrontation and workplace relationships so that participants can fully leverage their CDL credential.

Goodwill/Easter Seals Construction Skills Training Program

Goodwill/Easter Seals was able to double the size of their construction skills training program with financial backing from the City of Saint Paul, as well as operational and financial support from the Minnesota State Colleges and Universities (MNSCU), non-profit developer Urban Homeworks, and Wells Fargo Bank. Together, these groups launched Building Innovation, a program training 170-200 participants per year through the Goodwill/Easter Seals Construction Skills Training Program. Upon completion of training at Goodwill, participants are employed as general laborers on single-family homes in Saint Paul. Upon completion of the program, participants receive continuing education credit from MNSCU.

Building Innovation builds more than homes. The program helps individuals build a career while those individuals help re-build St. Paul neighborhoods ravaged by the financial crisis. To date, 46% of participants identify as African/African-American, 3% identify as Asian, 9% identify as Latino, 9% identify as Native American, and 12% identify as white. (The remaining participants did not identify.) Furthermore, 14% identify as female, with the remaining 86% identifying as male.

UnderConstruction (Construction Careers Foundation)

The UnderConstruction Program provides paid summer construction internships for at-risk Saint Paul youth on residential projects in Saint Paul. Administered by the Construction Careers Foundation, participants also receive "Bridging the Gap" services drafting resumes, preparing for interviews, dressing appropriately for interviews, etc.

Youth participating in UnderConstruction in the summer of 2013 were very successful. Twenty-one of twenty-four enrolled participants successfully completed the program. Two participants went on to secondary education in a construction related field (one in architecture, the other in construction management); nine participants were placed either with an employer or with Building Minnesota, a registered apprenticeship program that serves as a preliminary apprenticeship program for youth who are undecided about which trade they wish to participate in.

Urban City Construction and Skills Training

Urban City Construction and Training provides 72.5 hours of Introductory Core Construction Skills training to unemployed and underemployed Twin Cities Residents. In conjunction with support from the City of Minneapolis and various workforce agencies, Urban City Construction utilizes funds from the City of Saint Paul to target Saint Paul residents.

Twin Cities RISE!

Twin Cities RISE! (TCR) is a local organization providing employers with skilled workers—primarily men from communities of color—by training under- and unemployed adults for skilled jobs that pay a living wage of at least \$20,000 annually. TCR helps their students overcome barriers such as unstable housing, criminal history, chemical dependency, and/or low academic achievement.

Through TCR's Personal Empowerment program, participants eventually are able to secure full-time, stable employment. In fact, 82% of graduates of TCR's program remain in their positions a full year after graduation; 71% remain two years after graduation.

In 2011, TCR approached the City of Saint Paul about expanding their program into the public construction sector. St. Paul partnered TCR up with prime contractors on development projects in Saint Paul to provide training and employment opportunities.

Across the board, TCR serves minority and women populations. In 2012, their participation was 58% African American, 22% Caucasian, 5% African, 4% American Indian, 3% Latino, 3% Asian, 2% Multi-Racial, and 3% unknown/other. Forty-four percent of participants were female, 56% male.



Business Development Initiatives and Collaboration

Metropolitan Economic Development Association Construction Partnership Program; Working Capital and Technical Assistance for Small Businesses

Neighborhood Development Center Entrepreneurship Training Targeting Local Section 3 (Low-Income) Small, Minority-owned, and Women-owned Construction Firms with Technical Assistance and Working Capital

ProBid, LLC Business Development and Technical Assistance Focusing on Bidding and Pricing Strategies for Local Section 3 (Low-Income) and Small Businesses

Latino Economic Development Center Business Development and Technical Assistance for Local Section 3 (Low-Income) and Small Businesses, Particularly Targeting Latino Populations

Camphor Fiscally Fit Center Financial Literacy Training for Local Section 3 (Low-Income) and Small Businesses; Financial Literacy Training to Students in Saint Paul's EMS Academy



Metropolitan Economic Development Association

The Metropolitan Economic Development Association (MEDA) provides comprehensive technical assistance and working capital to local small, minority-owned and women-owned businesses. Additionally, MEDA administers the City of Saint Paul Construction Partnership Program (CPP). The CPP partners large majority firms with small minority and women-owned firms in an effort to build the capacity of local small business. Partners meet on a monthly basis and receive information from public and private entities about upcoming opportunities and progress on partnerships. It is not uncommon for small minority-owned and women-owned firms to see substantial growth as a result of their partnerships in the CPP.

The CPP currently has 15 active partnerships.

Neighborhood Development Center

The Neighborhood Development Center (NDC) in Saint Paul offers entrepreneurship training, technical assistance, and working capital for Section 3 (low-income), MBE, WBE and SBE businesses. The specific goals of NDC's work are to:

- Increase the pool of Section 3 eligible contractors;
- Build the business capacity of Section 3 contractors;
- Provide Section 3 contractors with ongoing business technical assistance and access to capital;
- Eliminate barriers that have traditionally impeded Section 3 contractors from winning jobs and successfully performing on jobs;
- Increase the amount of work and number of jobs that Section 3 contractors are bidding on and winning in the City of Saint Paul.

NDC provides a 12-week Entrepreneurship Training Course for construction firms; a 4-week course in Project Management; up to 10 contract-based working capital loans to Section 3 businesses; and ongoing one-on-one technical assistance. NDC regularly graduates between 10 and 20 businesses per year through their program. All businesses are eligible for Section 3 certification, and many are eligible for SBE, MBE, or WBE certification as well.

ProBid, LLC

ProBid, LLC, is a private organization that provides business development services toward all types of targeted and disadvantaged businesses, including Targeted Group Business (TGB), CERT (Central Certification minority-owned business enterprises (MBE), woman-owned business enterprises (WBE), and small business enterprises (SBE)), Section 3, and Disadvantaged Business Enterprises (DBE). ProBid focuses on pricing strategies, bidding, and cost projections to help small and disadvantaged local businesses be competitive in the bidding process.

Since 2011, ProBid has served over 180 businesses with pricing strategies, as well as one-on-one technical assistance, business readiness assessments, and prequalification for working capital loans. In 2014, ProBid is expanding their scope by launching new software to help small businesses modernize their bidding processes and streamline operations.

Latino Economic Development Center

The Latino Economic Development Center (LEDC) is a social justice group formed by Mexican immigrants in South Minneapolis. In partnership with the City of Saint Paul, they provide business development services to local low-income, small, minority-owned and women-owned businesses, focusing on providing services to Latinos and Spanish-speakers. LEDC offers Training and Technical Assistance for Small Businesses, Financing and Accessing Capital services for Small Businesses, Workforce and Industry Training, Scholarship Funds, and Rural Programming. Their services offered to St. Paul businesses include bidding and estimating, preparing for the remodeling license examination, starting a construction business, computer literacy, and customer service.

Since 2011, LEDC has served over 20 minority-owned businesses.

Camphor Fiscally Fit Center

Camphor Fiscally Fit Center (CFFC) is a local community organization in the Frogtown neighborhood providing financial literacy training to local low-income, small, minority-owned and women-owned businesses. Participants in CFFC's program regularly see their credit scores increase by 30-80 points by the end of the course. Topics covered in the class include:

- Accountability and Responsibility—taking ownership of finances and making responsible decisions
- Budgeting and Tracking Finances
- Understanding Credit
- Savings
- Financial Wellness Workshops
- One-on-one technical assistance

Additionally, CFFC provided financial literacy for individuals at the City's EMS Academy, where they educate participants on personal finances, student loans, credit cards, etc.

Results

Taking a comprehensive approach to equity has yielded tangible results on public contracting in the City of Saint Paul. Across the board, opportunities for minorities, women and low-income individuals are increasing.

Increased workforce participation by women and minorities

From 2011 through 2013, minority and women hours on construction projects increased from 130,000 to 1.5 million.

Increased business inclusion for minority-owned business enterprises (MBE's), women-owned business enterprises (WBE's), small business enterprises (SBE's), and Section 3 (low income) businesses

- From 2008 through 2013, dollars awarded to local small, women-owned and minority-owned businesses has increased from \$4,851,200 (3.79% of all opportunity) to \$104,961,262 (41.14% of all opportunity)
- Since 2009, Section 3 (low income business) contracting dollars have increased from \$2.4 million to \$22.7 million (increasing from 23% to 26.7%)

Equitable wages paid to workers on site

Once a local resident gets an opportunity on a local public project, the City ensures that workers on site are paid an equitable wage under federal and local laws. In 2013, the City of Saint Paul HREEO monitored over 1,239,353 labor hours with certified payrolls submitted by 490 contractors. Overall, the City monitored over \$60,688,694 in employee wages and benefits earned by over 6,400 workers on construction projects.

Recommendations

Increased Focus on Local Minority-Owned, Women-Owned, and Low-Income Businesses

Key to the City's strategic outreach and training is providing services to minorities, women, and low-income individuals, allowing them to grow and become equitable partners in the local economy. Research has shown that there are three requirements for minority-owned, women-owned, and low-income businesses to succeed: start-up capital, education, and access to mentoring relationships. HREEO works to provide these services to minority, women, and low-income populations: start-up capital through NDC and MEDA; mentoring relationships through MEDA, NDC, LEDC, and ProBid; and education through all of our partners.

We have seen progress but it is coming slow. In light of recent studies on lack of economic mobility in the United States, and in light of disturbing findings on racial inequality and achievement gaps in Minnesota, it is imperative that we work tirelessly to nurture and sustain business development in minority and immigrant communities. Doing so builds stronger local economies as MBE's, WBE's and low-income entrepreneurs hire from the community, increase the tax base, and make local economies healthier. Furthermore, it creates ladders for social and economic mobility and breaks down barriers to success. Finally, these entrepreneurs serve as role models and mentors to others.

As we invest in our MBE's, WBE's, and low-income entrepreneurs, we should also invest in the next generation of entrepreneurs and nurture entrepreneurship in our youth. To make this investment, equity should be an institutional check-point at the State.

Adopt the HREEO Model at the State Level

The City of Saint Paul has been able to adopt comprehensive strategies and truly move the needle on equity by virtue of having equity be solely within the jurisdiction of one department. In the past, the City's equity responsibilities were divided among various departments—one department had affirmative action and minority business inclusion, various departments were responsible for prevailing wage enforcement, and another department was responsible for federal Section 3 (low-income) outreach and inclusion efforts. Centralizing equity authority gave clear responsibility for monitoring and enforcing equity laws and policies.

Additionally, the City has provided HREEO adequate resources to train and reach out to low income, disadvantaged, minority and women communities. Resources of course are essential to increase capacity of disadvantaged communities.

Funding for Youth Programs like Right Track and the EMS Academy

Our community's economic well-being is dependent on youth, the drivers of tomorrow's economy. Not only do programs like Right Track and the EMS Academy pull kids off the street and put them into a productive environment, they provide tangible skills that allow our youth to advance and progress. To use the EMS Academy as an example of why funding is so critical, a turning point came in 2011 after the EMS Academy received a FastTRAC grant. A portion of the funding was used to contract a part-

time social worker for the EMS Academy. Poverty related issues such as unstable housing, lack of food availability, unreliable transportation and insufficient child care were contributing to EMS Academy attrition rates higher than the national average. We learned that in order to have success in our educational/training program we needed to consider the holistic needs of our students and the full extent of barriers to success. By providing a social worker with the ability to connect students with local community resources, our attrition rates shrank and remain below the national average.

The turning point for EMS illustrates why broad vision and comprehensive service are so critical to youth programs. Without addressing socioeconomic obstacles that have set disadvantaged youth back, they are unlikely to fully leverage the opportunities the City provides. The City of Saint Paul needs additional funding to continue to sustain and grow these programs. The State should also consider implementing regional programs modeled after the EMS Academy.

Working Toward Regional Solutions for Equity and Human Rights Compliance such as a Gateway Portal for Certification

Currently, there are governmental organizations working toward city, county, state, and federal goals for equity and inclusion in public contracting. St. Paul has taken the lead on the Central Certification Program (CERT), which aligns contracting inclusion efforts for SBE's, MBE's, and WBE's on contracts in Hennepin County, Ramsey County, and the City of Saint Paul. Unfortunately, regional approaches such as this are incomplete and uncommon. In Minnesota, there is a confusing "alphabet soup" of certifications and regulations that disadvantaged businesses try to navigate, including

- MBE's, WBE's, and SBE's in the CERT program
- MBE's, WBE's, and SBE's (among others) in the Federal DBE (Disadvantaged Business Enterprise) program
- MBE's, WBE's, and SBE's (among others) in the State TGB (Targeted Group Business) program
- Section 3 certification

Each program and governmental entity has unique goals they seek to accomplish through these various programs. For this reason, it may not be possible to develop a "one size fits all" certification for all entities. However, efforts across jurisdictions should be made to streamline application processes and eliminate duplicative efforts. In the end, redundant questions, unnecessary wait times, and excessive red tap end up frustrating and inhibiting the individuals with the least resources, the very individuals who these programs are supposed to help the most. The State needs to fight against inequitable processes and outcomes from equity programs and certifications. A great first step would be supporting the development of a Gateway for Certification that collects essential information from a company, provides suggestions and resources on various certifications, and streamlines all application processes.

Developing regional solutions requires input from advocates and organizations across the community. Some organizations the City of Saint Paul recommends working with include:

- Everybody In, an organization working to eliminate racial employment disparities

- The Association of Women Contractors, which provides support to women contractors in the construction industry
- The National Association of Minority Contractors, which strives to increase the number of quality construction companies owned by minorities
- The Minnesota American Indian Chamber of Commerce, which works to promote, advocate, and create economic prosperity on behalf of American Indian businesses, organizations, professionals, and tribal enterprises in a global market
- The Minnesota Black Chamber of Commerce, which promotes the capabilities, capacity and value of businesses of African descent to Minnesota communities and its economy
- The Metro Area Small Contractors Alliance (MASCA)
- The Procurement Technical Assistance Center (PTAC)
- The Small and Disadvantaged Business Opportunities Council
- Summit Academy, OIC
- Women Venture
- Women's Business Development Center